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SLUMP— HOW SOON, HOW FAR, HOW LONG?

THE EDITORS

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A Perpetual Platform

ALEXANDER L. CROSBY

EDITORS . . . LEO HUBERMAN . . . PAUL M. SWEEZY

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NOTES FROM THE EDITORS

These notes are written from Havana where we arrived the evening of March 4th, a few hours after the tragic explosion of the La Coubre in Havana harbor.

We have been very busy since. Cuban friends in New York and a number of economists from different Latin American countries, with whom we had become acquainted through MR and our published works and who are now in Cuba working for the revolutionary government, have been most helpful in arranging for us to see whom we wanted to see and go where we wanted to go. At the moment of writing we have just returned from a four-day trip to Camagüey and Oriente provinces at the eastern end of the island. Prior to that, we had travelled around Pinar del Rio in the West; and we hope to make a number of shorter trips in Havana, Matanzas, and perhaps Las Villas provinces before returning to the U.S. Needless to say, on these visits away from the capital we have taken every opportunity to visit cooperatives, factories, and mines, and to talk to all sorts of people.

Here in Havana, we have talked to ministers, economists, and administrators, especially in the National Agrarian Reform Institute (INRA), which is undoubtedly the key governmental institution in the new social structure that is now being built in Cuba.

(*continued on inside back cover*)

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SLUMP—HOW SOON, HOW FAR, HOW LONG?

There is at least one respect in which history (under capitalism) *always* repeats itself: every boom is followed by a slump. We have been in a boom for nearly two years now, and it seems not too soon to ask the inevitable questions: How soon will the slump come? How far will it go? How long will it last?

Let us first consider the question of timing, taking into account that there are two possible ways of seeking an answer. One of these is through consulting the records of previous booms and slumps; the other is through an analysis of the current economic situation. Let us try them both.

Historically—which means, in effect, during the last hundred years or so, for which reasonably accurate statistics are available—the duration of booms and slumps has not been sufficiently uniform or regular to permit the formulation of reliable "laws" of timing. The National Bureau of Economic Research, which has been studying these matters intensively for a long time, has identified cycles (comprising an upward movement and a downward movement, usually measured from trough to trough) as short as 2½ years and as long as 8¼ years, the longest cycle thus being more than three times as long as the shortest. If we look only at the post-World War II record, however, a more regular rhythm seems to be in evidence. There was a short decline immediately after the end of the war which reached its lowest point in October 1945. Taking this as our first postwar trough, we can then construct the following table:

POSTWAR BUSINESS CYCLES

Dates of turning points		*Duration in months*		
Peak	Trough	Expansion[a]	Contraction[b]	Full cycle
—	Oct. 1945	—	—	—
Nov. 1948	Oct. 1949	37	11	48
Apr. 1953	May 1954	42	13	55
Aug. 1957	Apr. 1958	39	9	48

a. Measured from trough on preceding line to peak
b. From peak to trough on same line

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We see that in the decade and a half since the end of the war, there have been three expansions, three contractions, and hence three full cycles. The average expansion has lasted 39⅓ months, the average contraction 11 months, and the average full cycle 50⅓ months; and in no case has there been any large deviation from the average. If we suppose that this rhythm will be maintained, the next upper turning point is due around the middle of 1961, and indeed some such idea as this seems to be in the minds of many, perhaps even most, observers of the current economic scene. Taking the postwar business-cycle pattern as firmly established, they tend to assume that we are less than two thirds of the way through the present boom and can look forward to well over a year of continuing prosperity.

It may turn out that way of course, but it would be rather foolish to count on it on the basis of the historical record alone. In this connection it is worth recalling that there have been fairly extensive periods in the past during which a stable business-cycle pattern seemed to have emerged—only to be succeeded immediately by periods of much less regular fluctuations. For example, between May 1891, and August 1904, there were four expansions falling within a range of 18 to 24 months and four contractions falling within a range of 17 to 23 months. A contemporary analyst might have concluded that business cycles had settled down into a pattern, with expansions averaging 21 months and contractions 19 months. Unhappily for him, he would have been quite mistaken: the very next expansion lasted 33 months and the following contraction only 13 months. Moreover, this sharp change in pattern came at a time of relative peace and quiet and without any major events to put our hypothetical analyst on the alert. At the present time, we are also in such a period, and the temptation to assume that the pattern of the recent past will repeat itself is therefore all the stronger. But this example—among many that could be cited from the history of capitalist countries—should warn us against an uncritical acceptance of conclusions of this type.

Let us leave aside for a moment any preconceptions we may have about how long the boom "ought" to last and attempt to deduce from the present state of the economy how long it is likely to last. What do we find?

First, we should note that, owing to the steel strike, the inventory build-up in 1959 was smaller than might have been expected in the first full year of recovery (1.0 percent of Gross National Product in 1959 as compared to 1.5 percent in 1955 and 2.4 percent in

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1950), and it is therefore quite reasonable to assume that it will be larger this year and last longer than it otherwise would have. When account is taken of the normally large and sometimes decisive role of inventories in both the timing and the amplitude of business cycles, this is certainly a strong argument against the likelihood of an early downturn.

Nor are there any clear signs of trouble in the other typically volatile (and hence cyclically crucial) sectors of the economy. Business investment in new plant and equipment increased in 1959 about 7 percent over 1958 (roughly the same change as from 1954 to 1955), and the latest survey of plans (reported in the December *Survey of Current Business*) indicates a further slight increase in the early months of this year. No signs here of a great investment boom such as took place in 1956 and the first half of 1957, but neither are there any suggestions of trouble.

The immediate outlook for housing, to be sure, is less favorable: new starts have declined more or less steadily since the spring of 1959, and with interest rates as high as they now are there is little reason to expect an early reversal of the trend. This is an area of the economy which will bear close watching, but one should not exaggerate the importance of the decline that has so far taken place (from about 1.4 million units early in 1959 to about 1.2 million units in January 1960).

In the area of automobiles and other consumer durable goods, the most recent survey (released near the end of February by the National Industrial Conference Board) is relatively optimistic, indicating that consumers' intentions to buy new cars are some 27 percent greater than last year at the same time. If this turns out to be correct, the auto industry will do all right though still operating far below the record level of 1955.

Finally, the Eisenhower administration's fiscal plans, as announced in the various January messages to the Congress, envisage no big changes in federal spending through the next fiscal year (i.e. through June 1961). Meanwhile, state and local government spending will doubtless continue to rise as it has been doing ever since the war, and this of course will operate to sustain the economy.

There are, to be sure, some dark spots in addition to housing in the short-term outlook, most notably perhaps a decline in farm income which set in early in 1959 and, despite a small upturn in the last quarter of the year, seems hardly likely to have run its course.

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But farmers no longer play the role in the American economy they once did, and their losses have been consistently overbalancd by the gains of other segments of the population.

All in all, a routine check-up on the economic health of the nations seems to indicate that the condition of the patient, however one may wish to judge it in absolute terms, is at any rate in no danger of imminent collapse. A reasonable prognosis would seem to be: no large changes one way or the other for some time to come—let us say, until the next wave of inventory liquidation sets in, which, to judge from experience, might well be as late as the middle of 1961.

This analysis thus tends to confirm the view derived from an examination of the postwar business-cycle pattern, namely, that the boom still has at least a year to run, and perhaps longer.

None of this should be taken too seriously, however. As already noted, cycle patterns have changed before and they doubtless will again. The assessment of the outlook for investment, consumption, and government spending has validity, at best, for only a few months. Meanwhile, certain more fundamental forces are at work, below the surface and out of sight, which, like a volcano, may suddenly erupt and transform the whole economic landscape. We do not say this is about to happen. We do say that it could happen and that any analysis which neglects the possibility risks theoretical bankruptcy—the sad fate which sooner or later overtakes all bourgeois schools of economics, generally and ironically at just about the time they are congratulating themselves on having at long last discovered the secrets of the capitalist economy.

The fact that these deeper forces operate below the surface, as it were, does not mean that they are unknown, still less unknowable. Ultimately, they all center around and stem from the most basic and essential of all the characteristic features of capitalism, that under this system the guiding purpose of economic activity is the self-expansion of capital, not the satisfaction of the human needs of the producers. From this there arises that deep-seated tendency to overaccumulation (or underconsumption: they are two sides of the same coin) which dominates the world of capitalism just as surely as the law of gravity dominates the world of objects in which we live. To be sure, the tendency to overaccumulation, unlike the law of gravity, does not operate according to a neat formula; and it is counteracted by the prodigious and ever-growing wastefulness of the "affluent society." But it continues to operate all the same and in so doing it generates the

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potential for crises of a quite different order from those associated with the regular business cycle.

All metaphysics, we shall be told by the gentlemen whom Marx so aptly called vulgar economists, that is to say, those for whom superficial phenomena are the only reality. How do we know such "underlying tendencies" exist, they ask? And if we don't even know whether they exist, what sense does it make to say that they are always generating potential crises?

The answer is really very simple. We know they exist because of a *fact* which is familiar to every businessman even if not to every economist, and which would be totally inexplicable in the absence of a systematic tendency to overaccumulation. That fact is the relentless build-up of excess capacity whenever the economy operates at anything approaching a satisfactory level of employment.

This is not the occasion to explore the theory of excess capacity, one of the most difficult and at the same time neglected subjects in the whole field of economics, but it *is* in order to insist on the ubiquity and importance of the problem in the recent history of capitalism. The 1920s were a period of prolonged prosperity, punctuated by two quite minor recessions, in 1924 and 1927. There was no inflation, profits poured into the coffers of the big corporations, the stock market boomed. Economists, in almost unanimous chorus, proclaimed the dawn of a New Era. It was just then, of course, that the stock market cracked and the bottom fell out of the economy. In the post mortem that followed many contributing factors were discovered and analyzed. It has always seemed to us, and still does, that none was as important (or as underrated, then and since) as the overcapacity revealed in the Brookings Institution's study *America's Capacity to Produce,* published in 1934. The boom was sustained by a high level of investment, and the high level of investment added to capital stock so fast that by 1929 American industry, according to the Brookings estimates, was operating at only 80 percent of capacity. We are not in the least concerned to deny that there were plenty of other factors that added to the severity and length of the depression that followed. But we do ask: can it be seriously denied that the overcapacity of 1929 set the stage for, and in this sense was the cause of, the prolonged investment slump of the 1930s?

Now, of course, we live in a new New Era, the era of soulful corporations and enlightened governments. Have our industrial statesmen learned the lesson of the 20's—to invest from their profits only what

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is required (1) to meet the growing demands of the population and (2) to bring new products to market—and to distribute the rest, in the form of lower prices or higher wages, to those who will expand their consumption? Unfortunately, neither the Brookings Institution nor any other group with the necessary resources has seen fit to bring *America's Capacity to Produce* up to date. We must therefore rely on scraps of information, but such as they are they all point to the same conclusions: the build-up of excess capacity which characterized the 20's is being repeated all over again in the 50's and 60's. Here, from a bulging file folder, are a few samples:

Steel. At the end of 1959, America's steel-making capacity was 148.7 million tons. (*New York Times,* December 31). Thanks to the depletion of inventories during the strike, production is now high and is expected to remain so during most of 1960. Latest estimates (e.g. George Shea in the *Wall Street Journal,* February 29) put the year's production at a record rate of 120 million tons. That is 81 percent of capacity. Every one agrees that when inventories have been built up again, the rate will fall off. How far? To 70 percent perhaps? Or even lower? We shall soon know.

Aluminum. Under the heading "Aluminum: An Industry Heading for Trouble?", *Business Week* published an article in its issue of November 14, 1959 which begins as follows: "Aluminum's shining hopes of a doubling of consumption every 10 years have led producers of primary aluminum into ambitious expansion in the last half-dozen years (chart). In two periods . . . they were further buoyed by government puchases for the strategic stockpile. Now the industry's market hopes are beginning to tarnish. The stockpile buying has ceased. The gap between operating rate and total capacity is widening even more than the chart shows." The chart shows capacity of close to 195,000 tons and production at about 160,000 tons, an operating rate of about 83 percent—and headed down.

Industrial chemicals. 1960 is expected to be a good year, and prices are rising, reports the *Wall Street Journal* (February 2, 1960). And what is a good year? " 'We're figuring the chemical industry will operate at about 85 percent of capacity through 1960,' estimates Ralph Burgess, chief economist for American Cyanamid Co. This would be above the estimated 75 to 80 percent operating rate in 1959 and also is well above the 72 percent figure for recession-hit 1958."

Oil. Speaking before the American Economic Association in Washington near the end of December, Professor Alfred E. Kahn,

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Chairman of the Department of Economics at Cornell and co-author (with Melvin de Chazeau) of an authoritative treatise on the oil industry (*Integration and Competition in the Petroleum Industry,* 1959), stated: "The combination of extraordinary tax privileges extended to this industry and prorationing to market demand have conspired to create an immense and chronic excess oil capacity—amounting to not much less than half the level of actual production in 1958."

Paper. "Paper producers complain excess capacity holds down prices of their products and squeezes their profits. . . . By the end of 1960 capacity will reach 41.5 million tons, the trade groups estimate. Mr. Hoguet puts 1960 production at only 34.5 million tons. . . . Despite the present ample production capacity, the industry has further expansion in mind. Paper makers here for the annual meeting . . . indicated no single manufacturer is willing to jeopardize his share of the market by an altruistic refusal to expand." (*Wall Street Journal,* February 26, 1960). Once again an operating rate between 80 and 85 percent—and once again, apparently, headed down.

It would be easy to add to the list: our file contains evidence with regard to nickel, copper, automobiles, and machine tools—and we have no reason to suppose that the vast majority of other American industries are in a different situation. But we are concerned to illustrate a point, not to prove it, and for this purpose the above sampling should be sufficient. The point is that the American economy, emerging from a decade and a half of depression and war with serious and widespread shortages of capacity, has, after a decade and a half of prosperity, arrived at a condition of general excess.

We do not conclude that this state of affairs must lead now or at any time in the foreseeable future to a debacle comparable to that which hit the country in 1929. There are many reasons why the economy is less vulnerable now than it was then: we have discussed most of them in these pages on numerous occasions and need not elaborate in the present context. What we do conclude is that *the economy today is more vulnerable than at any time since the war.* And this means that things are quite possible now which a few years ago would have been out of the question. In particular, it appears that certain types of shock, which under other circumstances could have been absorbed without great damage, might now be sufficient to cut short the present boom and initiate the next downswing.

The significance of this conclusion is enhanced by the fact that there is one type of shock which may hit the economy at any time,

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if indeed the first impact has not already been felt. We refer to a sustained decline of the stock market. Like most economists nowadays, we do not attach great importance to the stock market as a factor in the causation of "normal" business cycles. The market reflects rather than determines the course of the economy—with varying leads and lags, of course. But there are special conjunctures in which the market may assume a different and much more active role, initiating changes and playing a large part in determining their magnitude. Nineteen twenty-nine was clearly such a case, and it is possible that we are about to witness another. In this connection, it must be recalled that during the first few years after the war, stock prices actually declined in spite of the sharp inflation of that period. It was only after the economy had weathered the recession of 1949 that the great postwar bull market got under way. Starting at a level of 15 (1941-1943=10) around the middle of 1949, stock prices rose more or less steadily to a figure of about 60 in July, 1959 (the peak to date).* Now this four-fold rise was of course much greater than the concomitant rise of Gross National Product, prices, profits, or any of the other major series which may be taken to indicate the growth or prosperity of the economy. It has long been obvious that such a rise could not continue indefinitely, and the wiser heads in Wall Street have for some time been warning of the possibility of major "readjustments." Whether such a readjustment is now under way we do not pretend to know (though the evidence may be clearer by the time this is in print than at the time of writing). But the possibility is obviously there, and if it hasn't started yet the chances are good that it will in the fairly near future.

The question is whether the economy can now absorb a big decline in the stock market without serious damage. A few years ago the answer would probably have been yes. It is much less clear now. George Shea, who writes an excellent weekly column on the business outlook for the *Wall Street Journal,* recently (February 1) summed up some of the evidence on the present state of excess capacity in American industry and then proceeded as follows:

> With this whole background, it seems likely business executives will be pretty careful about their capital spending. Knowing that production during much if not all of the first half of the year will probably be in excess of basic demand [i.e. a part of

* Measured by Standard and Poor's index of 500 common stocks.

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> production will be going into inventories], they are likely to wait and see. . . . They may decide to wait not only until the first six months are past, but also until the trend of business after that has become clear, which might mean waiting through much of the second half.

It is precisely during such a period of watchful waiting that a major decline in the stock market might be expected to have its maximum impact on business psychology. It could trigger a cut in capital spending, and a cut in capital spending could trigger the next recession. It may not happen, of course; but it could, and that's about as precise as we can ever get in estimating the outlook for a capitalist economy.

Let us turn now, more briefly, to the question of the severity of the next slump. We can afford to be brief because much of the foregoing applies to this problem as much as it does to the problem of timing. If the economy is more vulnerable than it has been in the recent past, we can infer that the next recession is likely to be either sharper or longer, or both, than previous postwar recessions.

We might leave the question at that if it were not that there are additional reasons for thinking the next recession may be more severe than its immediate predecessors, reasons which have recently been set forth by a most reputable authority but which have received less attention than they deserve—if, indeed, they have received any attention at all.

As many of our readers know, the Congressional Joint Economic Committee conducted an elaborate study of the American economy last year, including hearings, monographs, a full-length staff report, and finally majority and minority Committee reports. One of the early witnesses at the hearings was Professor Moses Abramovitz, of Stanford, who testified on April 10, 1959. For several years Abramovitz, under the auspices of the National Bureau of Economic Research, has been conducting research into what are referred to as "long swings" in United States economic growth. What he presented to the Joint Committe constituted both a summary and the first publication of his findings. To anyone interested in the past or future of the American economy, Abramovitz's testimony makes absorbing reading.

First, a word about the meaning of "long swings." It has long been known that in addition to displaying ordinary business cycles, which we have discussed above, American economic growth has been characterized by other types of more or less systematic fluctuations.

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These concern not so much variations in the *levels* of output, employment, investment, etc., as variations in the *rates of growth* of these and other economic variables. Abramovitz's study is by far the most intensive investigation that has yet been undertaken of fluctuations of the latter type.

The term "long swings" derives from the fact that fluctuations of the type analyzed by Abramovitz are characteristically much longer than the ordinary business cycle. In order to be able to study these long swings in as pure a form as possible, he performs certain essentially simple statistical "corrections" of the series under examination designed to eliminate, as far as possible, the distracting effect of business-cycle movements. In principle, this is precisely the same kind of operation that is usually referred to as "correcting for seasonal fluctuations," the only difference being that in the one case the object is to eliminate changes due solely to seasonal influences while in the other the object is to eliminate changes due solely to normal cyclical influences.

Abramovitz finds that economic growth in the United States, since at least the third decade of the 19th century, has taken place in a "series of surges during which growth was especially rapid followed by relapses when growth proceeded more slowly. In periods of rapid growth, output has increased at rates two, and often three, times as fast as in periods of slow growth."* These surges and relapses have formed long swings, usually between 10 and 20 years in duration, which can be found in the records not only of output but also of "population growth, immigration, transport development, geographical settlement, internal migration, the growth of cities, price changes, the growth of the money supply, the foundation of new corporations, residential building, and in still other branches of economic life and in some aspects of non-economic activity." (*Ibid.*)

From our present point of view, the most interesting of Abramovitz's findings are the following:

(1) "In the past the culminating event of each period of retarded growth has been a business depression of unusual severity and almost always of unusually long duration. . . . In one sense, therefore —unless we are to suppose that severe depressions are merely ac-

* *Employment, Growth, and Price Levels,* Hearings before the Joint Economic Committee, 86th Cong., 1st Sess., pursuant to S. Con. Res. 13, Part 2, "Historical and Comparative Rates of Production, Productivity, and Prices," p. 412.

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cidental occurrences—we may regard the long swings as the sequence of events which lead up to those catastrophes." (pp. 412-414.)

(2) "A variety of causes have combined to produce an unbroken period of retardation in growth which has now [April 1959] lasted for some 20 years and whose end cannot yet be determined." (P. 419.) Let us rephrase this point—at the same time asking both Republicans and Democrats to note well: If we eliminate cyclical fluctuations, we find that *the rate of growth of the American economy has been declining ever since* 1939. This is *by far* the longest period of continuous retardation on record. Will it soon come to an end? And if so, will it end as it always has in the past in a depression of unusual severity? The following colloquy between Abramovitz and members of the Committee throws light on these questions (pp. 460-462):

> Senator BUSH. . . . We are in a strange situation right now of having been through a sharp recession in business and yet having recovered, according to the index of industrial production. Retail sales and other indexes are to new high ground and still we have an unemployment factor which is serious. Even though that is improving it certainly does not seem to have improved commensurate with the other indexes, production, sales, and so forth.
>
> Have you any comment to make on that? Could you enlighten us as to why that is the case? . . .
>
> Mr. ABRAMOVITZ. The immediate explanation, I think, is simple. The rate of growth of output corrected for business cycles after you get back to the same stage so to speak in a business cycle, has not been great enough to absorb the growth in the labor supply and in the stock of captial. We are now passing through a period of low rate of growth, after allowing for business cycles, and it is in that sort of period that we begin to accumulate idle resources, both of labor and capital and you will appreciate that the accumulation of such idle resources of labor and capital is exactly the sort of development which puts us in danger, certainly used to put us in danger of suffering a serious depression.
>
> Senator BUSH. Why has there been this lag in development of capital? Why does that exist?
>
> Mr. ABRAMOVITZ. Because, I believe that there has been a serious change in the conditions controlling the demand for additional long-term investment. You know that we experienced after the end of the Second War . . . a great boom in the demand for all kinds of capital equipment. That boom reflected a big gap in our stock of capital which had developed in the course of the

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preceding great depression and secondly because of the restrictions during the war on capital investment. It also reflected an amazing upsurge in population growth. For almost a decade, therefore, capital investment proceeded at a high level which year by year increased the total demand for all kinds of goods through the income which was distributed in the course of building the capital.

Now, however, I think we have reached a stage in which the steam behind this great boom has begun to peter out. We have caught up in great part with the backlog in demand for capital equipment, which grew up during the depression and during the war, and, secondly, the rate of population growth has tapered off although it is much higher than we might expect it to be. It is no longer growing year by year as it was doing for 12 to 14 years.

And the combination of these two facts means that the demand for additional capital is no longer growing at the rate at which it was during the first years after the war. When the demand for additional investment tapers off we no longer have that big increase in the total demand for goods which the economy requires if it is to grow enough each year to absorb the growth in the labor supply.

* * *

Representative BOLLING. . . . Do you feel that the indications are that we are in a long-term swing that might indicate the threat of potential serious depression?

Mr. ABRAMOVITZ. My feeling is that if our economy were organized, if our economy were now organized, in the way in which it was organized before 1930 we would face the threat of a serious depression.

Pressed to elaborate upon this last statement, Abramovitz proceeded to describe what are now usually referred to as "automatic stabilizers"—the larger share of government in GNP, the more progressive character of the income tax structure, social security, bank deposit insurance, and a presumed greater willingness of government to act against depression. His conclusion was as follows (p. 463):

Though I think, therefore, that many conditions which now exist would threaten us with serious depression, I think we are unlikely to experience, happily unlikely to experience, that depression. But this does not mean that we may not have a number of years in which unemployment rates are higher than we would like to see them because our rate of growth is not as rapid as it needs to be in order to absorb the growth in the labor supply.

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We interpret this to mean (1) that we are unlikely to have another depression of the 1929-1933 model; (2) that we *are* threatened with a slump more serious than any experienced since the war; and (3) that the next slump, when it comes, may usher in a more or less prolonged period of high unemployment. We agree.

(March 3, 1960)

A PERPETUAL PLATFORM

BY ALEXANDER L. CROSBY

Scott Nearing, the most embarrassing man I know, used to embarrass the Democratic and Republican parties by writing to their national headquarters between campaigns and asking for a copy of their most recent platform. It wasn't that they were as nervous as the State Department's passport people about any communication from Nearing. The trouble was they had to hunt through file cabinets, desk drawers, accordion envelopes, and dusty trays, finding nothing but an assortment of candidates' biographies, radio scripts, and printers' bills. Then it was necessary to write a letter explaining that demand for the platform had been so heavy the document was temporarily out of print, but a copy would be mailed as soon as the stock was replenished.

Alexander L. Crosby writes pamphlets and runs for office. He was defeated for Democratic county committeeman by the De Sapio candidate in the New York primary last September, and in November he was defeated for board member of the Consumers Cooperative Housing Association. In 1923, *however, he was elected permanent secretary of the graduating class at Sweetwater Union High School, National City, California. There was no other candidate.*

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In an election year a platform is just as essential as campaign buttons and pretty girls to pin them on the voters. A presidential candidate must either stand on a platform or sink into something that doesn't pay $100,000 a year plus expenses. Now that candidates are beginning to leap or creep into the 1960 campaign, a few citizens are wondering what the aspirants are for or against. The candidates are doing the same.

The unfairness of expecting a candidate to declare his unequivocal views before election is manifest. If he's for integration, he loses the South. If he's for segregation, he loses the North. If he's for employers, he loses labor. If he's for labor, he loses money. If he would recognize China, he loses Chiang Kai-shek. If he wouldn't, there's an unpleasant noise from Khrushchev.

Yet the orderly progress of every election campaign is marred by a handful of obstreperous voters and commentators who insist on knowing where a candidate stands. This probing and prodding makes it impossible for a candidate to be judged solely on the things that count: the house where he was born, his television face, his military record, his love of little children, and his affection for dogs.

What our political system needs is a device that will enable a presidential candidate to stand on a clearcut platform without being hanged. I have invented it, just in time, and named it the "Perpetual and Universal Platform, Easily Read." It will suit any Republican or any Democrat. It will be as good in 1964 as in 1960—indeed, with a few minor adjustments, it will last forever. It will save hours of wrangling and prevent dangerous schisms at political conventions. It will be a guide to mature voters and a beacon light to the young. Without further advertisement of its virtues, let the platform speak for itself:

Foreign Relations. The United States today has more foreign relations than ever, and some of them aren't good. We stand for a positive program.

China. China is a source of antimony, tungsten, and anxiety. Roads and canals were built during the reign of Kublai Khan. Owing to the lack of more recent information, we must defer formulation of a policy.

War. History has demonstrated that war results in numerous fatalities and injuries. Peaceful methods of liquidating the Soviet Union should be pursued to the maximum extent feasible.

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Nuclear Tests. The public is entitled to a full measure of protection against potential injury from fallout as a result of nuclear bomb tests and against the consequences of failure to undertake tests sufficient to develop adequate striking power to mount an agonizing reprisal against any nation that tries to drop a bomb on us.

Education. The nation's most precious resource is its children. It is gratifying to observe that schoolhouses everywhere are overflowing. We propose to keep them that way.

Health. The health of our people is the nation's most precious resource. Sickness is debilitating and uncomfortable. We advocate good health for every American, regardless of race, creed, or national origin.

Conservation. The nation's most precious resources are its natural resources: streams, forests, soil, minerals, and Texas gas. We believe these resources should be exploited wisely for the greatest profit of all.

Taxes. A constructive program for taxation is essential to provide requisite governmental services without working undue hardship upon the citizens. We advocate such a program.

Consumers. Consumers are an essential part of the American economy. Carcinogens and other substances that tend to deplete them should not be used in foods, except with moderation.

Highways. Our vast network of highways makes it possible for vehicles to go from one place to another. This aids commerce, industry, romance, and the oil companies. It keeps the National Safety Council busy counting corpses. We advocate preservation of the highway system.

Veterans. We owe an everlasting debt to the men and women who have served in the armed forces. Speakers at Veterans Day ceremonies should mention this debt.

Unemployment. The American economy has proved itself the most prosperous in the world, except at such times as it isn't. We advocate full employment whenever possible. Any person who is not fully employed should be.

Agriculture. The farmer has a key role in our economy. He supplies food and fibers to those who use these products. Continued consumption of farm products will benefit the farmer.

Juvenile Delinquency. This is a disturbing problem, to the extent that it exists. Steps should be taken to combat it, to the extent that they are feasible.

Crime. As usual, crime is increasing. Our choice today is between

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J. Edgar Hoover and a hardened band of outlaws. Thoughtful citizens will not have much trouble making up their minds.

Housing. Housing is of paramount importance to the American way of life. The house is where the family lives. It is the place where children learn to watch television, where young wives learn to cope with encyclopedia salesmen. Without a house, a family would be houseless. This should be avoided.

Ethics. High ethical standards are a desirable goal in television, college examinations, and elsewhere. We believe that gradual progress toward such standards is desirable.

Race Relations. We advocate good race relations, with justice to all.

Conscription. Peacetime conscription is repugnant to the traditions of our country. We recommend two-year periods of training in the art of national defense, at government expense, for all young men selected for this opportunity.

Labor Relations. Disagreements between employers and labor arise when there is lack of agreement on wages and working conditions. Lack of agreement is often due to lack of understanding, which is the result of lack of information. We pledge ourselves to work constantly for less lack of information.

Dogs. The dog brings happiness to many people. His appetite provides gainful employment for labor and capital, thus strengthening our economy. Taxes on dogs support our institutions, such as dog pounds. Our cultural pattern would be enriched by more dogs. Nothing in this paragraph shall be construed as belittling cats or favoring coyotes.

The Aged. Our senior citizens used to be the nation's most precious resource. This should be kept in mind.

The discerning reader will have noticed that the Perpetual and Universal Platform, Easily Read, which the press may more conveniently designate as PAUPER, eschews the banalities that repel persons of political refinement. For example, it makes no reference to Mother, or to Father either. Nor is there any cheap appeal to national or sectional prejudice through mention of Washington, George III, Bunker Hill, Lincoln, Lee, Gettysburg, Custer, and Yalta.

This is a platform for today and for the glorious years ahead. It is worthy of the best candidate that either party may be expected to offer.

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THE MOMENTUM OF HISTORY

BY HARRY BRAVERMAN

Robert Heilbroner begins his brilliant new book,* which might be described as a sketch of the political economy of the rest of this century, by pointing out that we have lost the habit of viewing contemporary affairs as part of the pattern of history. He refrains from enlarging his complaint to its full dimensions: he might have added that one of the most fashionable of current dogmas is that there is no discoverable pattern to history, and the attempt to discover one is either vain or vicious.

In the early eighteenth century, Giambattista Vico wrote in his *Scienza Nuova*: "Whoever reflects on this cannot but marvel that philosophers should have bent all their energies to the study of the world of nature, which, since God made it, He alone knows; and that they should have neglected the study of the world of nations or civil world, which, since men had made it, men could hope to know." Piously phrased as it was, this insight presaged a remarkable series of attempts to comprehend the scheme of human history. At first the projections, reflecting the metaphysical and teleological preoccupations of their authors, rested heavily on some definition of purpose. History was described by Herder as the education of the human race, by Kant as an evolution of the idea of freedom, and by Hegel as a self-expansion of the world spirit. Later, with Comte, John Stuart Mill, Buckle, and of course Marx, greater comprehension and a more scientific approach brought into being theories which explained human history in its own terms: as subject to tendencies, generalizations, laws arising from the nature of human activity and society itself.

Whoever has followed the regression of historiography over the past two decades, with its enthronement of chance in place of causation and indeterminism in place of pattern, cannot help but note that

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* *The Future as History,* by Robert Heilbroner (Harper, $4.)

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it has been in the nature of a social groundswell rather than a haphazard shift of opinion. Darwin wrote somewhere that, in the very act of sneering at his theory of evolution, his critics exposed their *canine* teeth. It is easy to figure out at least one aspect of this revolt against historical science: such a science found its most effective, certainly its most vigorous expression in Marx, and Marx is now anathema. But the aversion has an even deeper cause, going to the heart of social science itself.

In the days of innocence, when social thinkers followed wherever their logic led, John Stuart Mill reasoned that no society could be explained without understanding the society out of which it had grown, since the preceding state was in a sense the "cause" of the one that followed. "The fundamental problem, therefore, of the social science," he concluded, "is to find the laws according to which any state of society produces the state which succeeds it and takes its place." Even if you don't follow Mill's reasoning, there is ample reason for coming to the same conclusion by other routes. None of the disciplines of learning have been able to attain to the full stature of sciences until they have moved from statics to dynamics: biology, the science of life, required the formulation of a theory of evolution; at the heart of physics is the study of the transformations of matter and energy from one form to another: linguistics is helpless without its comparative and historical branches. Indeed, in all these cases, dynamics is the key to statics, as the isolated phenomenon can be only half comprehensible apart from the study of its origin and development, its transformation out of earlier material and into a later form. Since we know of a sequence of social institutions, must we not also seek a key to them in the forces which cause them to appear and disappear, evolve, and revolutionize?

Conceived as a science, therefore, history is a study of change in social institutions. And what is more natural, for a society which cannot reconcile itself to fundamental change, which hates and fears the portents of the future that have appeared to it, than to deny history as a science of change and hence to deny it as a science altogether? What is more natural in such a case than a view of history as chaos, governed by the threats of malevolent men and the responses of men of good will?

It is here that Mr. Heilbroner begins his book. His point of departure is his most fundamental merit: he rebels energetically against fashion, and searches for the massive forces of history

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which are dictating the trends all nations today must follow. The overriding fact of our era, he finds, is a "basic change in the economic orientation of the world. . . . It can be described as the collectivization of twentieth-century economic life."

> . . . over the larger part of our history, we have faced a future in which our own form of economic organization, capitalism, was the triumphant and dominant form of economic and social organization in the world. This is no longer true. Today and over most of the foreseeable future, traditional capitalism throughout most of the world has been thrown on a defensive from which it is doubtful that it can ever recover. As a capitalist nation we are no longer riding with the global tides of economic evolution, but against them.

This is a rather obvious conclusion, when one considers the events of the past 50 years, yet it is amazing how it eludes our seekers after truth, teachers in our colleges, writers of books for American publishers, magazine and newspaper pundits. Because he does not fear to face it, Heilbroner is able to add a fresh dimension to his discussions of issues which have, in recent years, been swamped in words but only partly elucidated.

The backward countries, attempting the Herculean leap from "poverty into decency," are, he points out, increasingly bound to turn away from capitalism. It is inexpressibly refreshing to hear Heilbroner explain this as a result of important historical and structural considerations, rather than by the intrigues of demagogues, by our too-small economic aid program, or by other such tenth-rate factors. They turn to collectivism, he shows, because there is no other way in which they can industrialize, and, he adds flatly, "there are strong possibilities that this collectivism will veer far to the left, whether or not it falls directly under communist hegemony."

Too much has already been written about Russia's remarkable economic performance to make anything Heilbroner has to say on this score a surprise. But where he does differ markedly from the official trend of opinion is in his refusal to treat Russia as the modern Antichrist, repository for all the "dark forces of the human soul," and all the other Dostoevskyan rubbish that seeks to extract Russia from the context of human social evolution and examine it as a principle of evil incarnate. He is strongly antagonistic to the tyrannical features of Russian society—as any socialist, for that matter, should be also—but

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he refuses to see the dictatorship and the rigid thought control as essential and immutable consequences of Soviet collectivism. He discusses them rather as the concomitants—possibly transitory—of a difficult modernization compressed into a far shorter space of time than that taken by the capitalist nations, and under harder conditions; and the capitalist countries, too, had their sufferings and travail.

> Much of what we identify in communism as its most distinctive features—its cruelties, its use of terror, its indifference to personal liberties—is not so much the face of the new world as the shadow of the old . . . . it is only moral cowardice to single out the evils of communism, while refusing to admit to what may ultimately be the beneficial consequences of the tremendous economic movement which it is effecting. What will happen to the harsh disciplining forces of the communist system once the great transition has been made we do not know. But surely the hope of the future rests in the possibility that with communism, as with capitalism, the completion of the industrial transformation may soften and mellow the rigors of the transitional phase.

The capitalist nations of the West are also in transition—at "halfway stations along an historic road." They have been changed somewhat by the introduction of certain mechanisms of planning, but these are still "being used to buttress an essentially capitalist social and economic structure." While the path of the future remains to be seen, "what is certain is that the historic road away from the unplanned capitalism of the past will not again be traversed in the opposite direction."

Turning to the American economy, Heilbroner takes up a common theme in describing the growth of "affluence" in our society, by which he refers to the rise in per capita income and its less unequal distribution. But he is far franker than Galbraith about his doubts that our society can assimilate its own affluence, as he says with emphasis, *"as it is presently constituted."* The prevailing optimism about business prospects does not overwhelm him; he points out that the armament sector of the economy plays a role which cannot be brushed aside: "Thus we find, for example, that a central aspect of our growth experience of the past two decades is one which few spokesmen for the future candidly discuss. This is the fact that our great boom did not begin until the onset of World War II, and that its continuance since then has consistently been tied to a military rather than a purely civilian economic demand."

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He concludes that the forces of the private sector of the economy cannot in themselves guarantee a strong and steady rate of growth, and, deprived of government stimulus, business might fall into stagnation, if not serious crisis. And he is by no means sure that governmental investment in civilian projects of the size and scope required would be forthcoming if ever we were left without the present military prop; forces of conservatism and inertia would militate against this. But the economy will not be able to get along without planning in some form. His final conclusion, again presented with emphasis: *"The price of an economy of abundance is the replacement of the traditional economic control mechanism with new kinds of social controls."*

Heilbroner is not entirely clear as to whether all this constitutes an optimistic or a pessimistic perspective, by which I mean to say he does not make clear a personal attitude toward socialism. Indeed, he is concerned throughout with making plain what is coming, what is inherent in the present state of affairs, the kind of future the present "is big with," to use Leibnitz' famous phrase, rather than with expressing likes or dislikes. For Americans, to whom thoughts of socialism are still distasteful, this non-committal approach may be more effective than the pleadings of convinced socialists.

He does have one winged phrase which ought to make Western intellectuals ponder their present pessimistic bent: "But we must bear in mind that what is a closing-in of history for us is an opening-out of history for most of the peoples of the world." It is worth a moment's thought to consider whether the plight of the world, as seen from a narrow corner of Western Europe and from the United States, might not look altogether different when viewed from any other point on the earth's broad expanse. One nation's pessimism may well be another nation's optimism, and it is highly possible that the history of the twentieth century, if it is written from the point of view of a great majority of the world's peoples, may yet go into the record books as the century of the greatest optimism of progress, rather than that of disillusionment with 19th-century hopes and ideals, as it has been prematurely written down by Western historians.

Still, Mr. Heilbroner does well to take a sober and portentous tone. The next decades will be anything but a picnic for the countries of the West.

The Soviet-bloc nations have taken the lead in introducing socialism, or, more correctly—since none of them has socialism yet—in seizing upon socialist economic methods and applying them to the accom-

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plishment of tasks which in the West were the historic function of capitalism. When they complete the first great stage of their work, in the decades to come, they will already possess a structure for social planning, and, with the achievement of higher standards of living than any yet reached in capitalist nations, with a breakthrough to democratic liberties and a way of putting their society under the collective control of all for the good of all, they will be able to boast of a far superior society—a genuinely socialist society.

In the present capitalist nations, however, history flounders in a halfway house of partial measures designed to shore up the old structure, but which can never make it either satisfactory or stable. Some of the worst abuses have been relieved by sheer dint of technological growth, if not by the hand of sanity. Temporarily appeased by this precarious economic balance, and deeply antagonized by the forms assumed by socialism in the East (where problems were met which Westerners and especially Americans, can scarcely visualize much less comprehend), those in the West who would normally spearhead the drive for socialism have fallen into lethargy, and the politics of their countries into stalemate. When one considers the kind of trap the world may become for America if it faces the revolutionary upheaval of our time with nothing better than its present truculence, conservatism, and feeble grasp of what is going on, it is clear that Heilbroner is quite right to be worried. We should all be worried. He is no more than accurate when he writes:

> A critic who assesses the American scene in terms of its alertness to the underlying challenge of our times can scarcely fail to be struck by the general poverty of the prevailing outlook: the men of wealth and power, mentally locked within their corporate privileges; the middle classes, more Bourbon than the Bourbons; the working classes, unable to formulate any social program or purpose beyond "getting theirs"; the academicians, blind to the irrationalities of the society they seek to rationalize.

What is missing from Heilbroner's book is some kind of assessment of the social tensions which the developments of the next decades can set up inside the United States. It appears to me that his road ahead would lead towards daylight faster than he realizes if only he would give due weight to the possibility of an American awakening along progressive and even radical lines under the impact of blows and pressures to come. Is it any more realistic to assume a static state for this country than for the world at large? All the issues which Heil-

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broner discusses are afloat in the limbo of American politics. Can we presume that they will not be crystallized, in one form or another, into the decisive stuff of tomorrow's party conflicts? Why, of all the nations of the globe, should this one alone find it possible to cheat history by disregarding it? When evasion is no longer possible, new political forces based on something better than memories of the last century will take shape and we will get our chance to catch up with history.

Despite any such criticisms or differences of opinion—and others could be cited—Heilbroner's book is a remarkable performance in its penetration and analytic power, and no less in its courage and forthrightness. Let us hope it presages, and will do its bit to encourage, an awakening of some of America's intellectuals to their responsibilities.

Civilizations can survive only through a concern with their limitations.
—*H. A. Innis, Empire and Communications*

Either poverty will use democracy to win the struggle against property, or property, in fear of poverty, will destroy democracy . . . Poverty, great wealth, and democracy are ultimately incompatible elements in any society.
—*Aneurin Bevan, In Place Of Fear*

INNOCENTS ABROAD

Last week-end I happened to find myself at Shannon Airport. Also waiting for a plane, there were a party of United States Air Force personnel on their way to some base or other. They seemed pleasant enough, some of them surprisingly old. Yet when the call came for them to go there was a visible sense of relief. It was not their fault, but somehow they were figures of doom. The mushroom cloud hung over them. They were instruments of death in a way that no men-at-arms have ever been before. They were the Fates in a Greek tragedy, all our doom—and yet, in practice, just servicemen, with wives and children, and forms to fill in, collecting allowances and qualifying for pensions. Perhaps the effect was heightened by the scene being in Eire, a country which has, for one reason or another, held aloof from the hire-purchase affluence. It has just not entered the Gadarene stakes. Outside was a countryside which has changed little over the last thousand years. Inside were the men in blue uniforms going to man their base, which contained impedimenta for blowing the whole earth to smithereens. How extraordinary! Of course, there is always the possibility that the men were all just public relations and welfare officers.

Malcolm Muggeridge, New Statesman, *February 27, 1960*

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WORLD EVENTS

By Scott Nearing

"Awesome" Defense

"Our defense is not only strong, it is awesome, and it is respected elsewhere," President Eisenhower told a questioner at his news conference of February 17th. The question followed protestations that Administration policies were endangering the strength of United States military defenses.

United States military defenses may consist of: (1) Facilities located inside the country and designed to prevent physical invasion. They include fortifications, means of transportation and communication, weapons and manpower, seaborne, airborne, and land ready. (2) Facilities located inside the country and designed to inflict damage on an outside enemy—ships, planes, and missiles capable of delivering explosives, biologicals, and chemicals on targets outside United States frontiers. (3) Facilities located outside the United States, designed to inflict damage on an outside enemy. Such installations exist on territories like Okinawa, the Japanese islands, the Philippines, South Korea, Taiwan, Pakistan, Arabia, Turkey, Germany, Spain, and Great Britain, which are legally "foreign," but which acquiesce in the establishment of United States military equipment and manpower within their national frontiers. At the moment such foreign bases, widely distributed around the Northern Hemisphere and supported by wide-ranging naval and air forces, make it possible for Washington, at short notice, to destroy life and property on most land areas north of the equator. (4) Another aspect of the United States defense apparatus is the network of military alliances tying together organizations like NATO, the Association of American States, and SEATO.

Some of Washington's defense apparatus, such as nuclear bombs, long range guided missiles, and concentrated chemicals and biologicals, have been developed so recently that they have not been tried out in actual warfare. Tests, particularly of nuclear explosives, leave little doubt as to their immense destructivity.

This is a layman's description of a war-making organization on which something like half a trillion dollars of United States tax money has been spent during the past fifteen years. The President describes

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it as "awesome." As commander in chief of the armed forces, he is behind the gun, aiming it, and warning his enemies of its destructiveness. Those who live at the other end of the gun and look down its barrel, may well choose a different form of the same word, and call it "awful."

Those at both ends of the gun will agree that it is probably the most formidable apparatus set up during modern times to destroy property, blot out life, scatter misery and hardship across the planet, and thus "win wars."

Does Defense Defend?

It is one thing to point out the immense destructivity of the military apparatus now under the authority of the Commander in Chief of United States Armed Forces. It is quite another matter to argue that it will prevent the United States from suffering staggering losses and perhaps catastrophic defeat in the impending general war. The military machine commanded by Adolph Hitler in 1939 was formidable. Yet it did not save the Nazis from a shattering disaster which included rubbled cities and the division and occupation of Germany by those who faced the open ends of Nazi artillery.

Hitler with his ambitions and his "awesome" power to destroy and kill, is not a lone figure. Again and again in the course of military history would-be world conquerors, well armed and equipped, have suffered a similar fate.

Present-day military experts, including President Eisenhower, attribute two values to a massive apparatus such as the one on which the United States is spending currently between $3 and $4 billion each month. First, because of its awesomeness it will "deter" enemies from attacking. There is nothing new about this principle. Inspiring awe in the enemy was a military tactic before the dawn of civilization.

Proponents of the Eisenhower thesis attach a second value to massive armament. If it is sufficiently massive, the commander in chief of such formidable destructivity can annihilate his chosen enemies, one by one, before they can recover from their dismayed surprise and coordinate their forces. Hitler had the same "lightning-stroke" idea, but it did not work out because the selected enemies got together, encircled the "common foe," and wiped him out. Napoleon, with a similar conception in a like historical period, was overwhelmed by a disaster similar to the one which destroyed Hitler.

It is one thing to plan a military campaign that will insure vic-

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tory to the man behind the awesome big guns. Something more than military planning or even military genius is necessary for final victory.

United States productivity, wealth, and income stand out beside the masses of humanity as a sore thumb protrudes from an all-but-useless hand. With one sixteenth of the world's population, the country which President Eisenhower is defending boasts about half of the planet's industrial productivity and a similar proportion of its wealth and income. The blatant contrasts between United States living standards in comparison with those of two thirds of the members of the human family cry aloud for redress.

When in history has one nation or people heaped up wealth and power without arousing the cupidity, jealousy, animosity, and hatred of neighboring peoples and nations? In the short run, such an imbalance is irritating. In the long run, it becomes intolerable. Sooner rather than later, attempts are made to re-establish equilibrium.

Will Chinese Walls or Maginot Lines perpetuate economic and social imbalance? Again and again, cities have built walls and peoples have fortified harbors and mountain passes to protect their wealth against outsiders. Through the centuries such devices have been unavailing. The greater the wealth-power imbalance, the more surely are attempts made to rectify the inequality.

Historical experience, if it teaches any lesson in this connection, points to the overwhelming probability that gross economic inequality will be corrected sooner or later, not by the decision of the rich to share the wealth, but by the determination of the poor to expropriate it.

During the two past centuries, glaring inequalities were established, first, within the dominant European powers, and second, between these powers and the billion colonial and dependent people who toiled and starved while their own and their imperial European overlords enjoyed the amenities and luxuries. The past five or six decades have seen a succession of colonial revolts and social revolutions aimed to iron out the differentials between the rich and the poor, the powerful and the powerless. If wealth and military might are effective defenses against such subversive movements, the masters of 19th century Europe were in a position to defeat and destroy those who aimed at the redistribution of world wealth and power. For their day, the 19th century European empires were well organized and strongly armed, yet between 1900 and 1950 all of them were downgraded, while some were defeated, bankrupted, and dismembered.

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Wealth and power soften and corrupt their possessors, lowering their stamina and weakening their will to resist. Just as surely, inequalities and exploitation arouse the victims of injustice and steel them for their struggles against oppressors.

President Eisenhower and his fellow imperialists in NATO are threatened from three sides: the side of their subject peoples, the side of their own exploited classes, and the side of their fellow imperialists who are engaged in a ceaseless struggle to readjust the wealth-power balance in their favor. Will the awesome military might, which the President values so highly, defend the vested interests of exploiters in 1960, or will it fail them again as it failed their predecessors in 1917 and in 1949?

Home Defense

President Eisenhower and his fellow imperialists in NATO face a fourth enemy of which they seem to be unaware—an enemy which is working night and day to destroy the foundations upon which the strength of the United States and of any other great or small power is founded: the health and happiness of its own people.

We refer to dis-ease, or sickness. The American people are sick. During the past five months we have travelled by car about 10,000 miles through the United States, and have met thousands of men, women, and young folks. By and large, they are sick, sick in body and mind. We have met a few people who radiated health and well being. On the other hand, we have met thousands suffering from minor ailments like colds, flu, and tooth decay, and from major disabilities imposed by arthritis, heart conditions, cancer, and serious digestive disorders. These sufferers are buying constipation remedies, pain-killers, tranquilizers, getting "shots" and otherwise enriching the immensely profitable drug businesses. The sicker they get, the more drugs they consume.

Why are these people sick? Primarily because of the way they live. Their bodies are not exercised. They lack sunshine and fresh air. They eat processed, chemicalized foods, grown on depleted, eroded soils. Instead of clean fresh water, they consume water poisoned with chlorine and fluorine, or polluted with sewage; or else they turn to soft drinks, tea, coffee, and alcoholic beverages. They live tense, harried, worried, fear-burdened, sedentary, disease-eroded lives.

There is no surer way to subvert a nation than to undermine health, upset peace of mind, spread ignorance, and sow bigotry and

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hatred. While Eisenhower is traveling to Europe, Asia, and Latin America to repair United States international fences, food processors and poisoners, drug peddlers, racists, and hate-mongers, are weakening the foundations of the nation which the President represents.

Big guns, missiles, and nuclear weapons are useless in dealing with these domestic subversives. Only the abolition of free enterprise and its replacement by a well-planned and effectively managed society, dedicated to the production of healthy and happy human beings, will defeat and destroy the menace.

President Eisenhower and his business, military, political, and public-relations advisors may call United States military power "awesome," but massive destructivity cannot preserve the present economic and social world imbalance. Nor can they save the Eisenhower homeland from obsolescence, decay, and disintegration.

They're Off!

The Lloyd's of London annual survey of ship building for 1959 reports that Japan was the chief shipbuilding nation for the fourth successive year. Japanese shipyards launched about a fifth of the world total of nine million tons in 1959. Britain held second place. West Germany was third. United States ship building continued to be a depressed industry.

We have commented before on the bitter struggle between Germany, Britain, France, and the United States for the world automobile market. Ship construction is another case in point. Japan and Germany, two of the most efficient among the world's private-enterprise nations, are again in the lead.

President Wilson said immediately after war's end in 1918, "Of course it was a commercial war." Once more the struggle for pelf and power between the chief industrial nations of the West has reached the cold stage. It will warm up as the fight for resources, markets, and investment opportunities becomes fiercer.

Canada for the Canadians

Canadians react militantly against any suggestion that they do not own their country. "Of course it is ours," they insist.

The facts, however, are against them. *U.S. News & World Report* for December 7, wrote: "Does Canada really belong to the Canadians? . . . Canadians own most of the real estate, but Canadians don't own most of the industry in Canada. In fact, they own little more than a

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third of it. Foreigners—mostly U.S. investors—own the rest, and, as the years go by, foreigners own more and more, the Canadians less and less." Canadians still own the farms and the homes. Industries, and the jobs they provide, are the property of absentee investors.

Jonah slipping down the whale's gullet, could still claim to own his clothes, but both his body and his wearing apparel were under whale control. Canada, Arabia, Venezuela and a score of other nations which have valuable resources and have permitted United States Big Business investments, make patriotic protestations as they slip down the Yankee big business gullet. United States State, Commerce, and Defense departments supervise the operation.

Cubans, threatened by the same fate, woke up in 1959 and realized what was going on. Today the Havana Government announces that any further investments in Cuban industries will be made by Cuban citizens or by the Cuban Government. "Cuba for the Cubans" is more than a slogan. The Castro government has made it a central principle of government policy.

Teen-Agers Versus Diplomats

'Our defense . . . is respected elsewhere," President Eisenhower assured his February 17th press conference. That statement was made two weeks before the President visited Uruguay.

After the usual diplomatic banalities at the Montevideo airport, the presidents of Uruguay and the United States were driving past the University School of Architecture, when students unfurled banners across the building reading "Yankee Imperialism Get out of Latin America" and "Long Live the Cuban Revolution!" From the open windows students hooted, cat-called, and shook their fists at the presidential cavalcade. Police escorts replied with tear gas bombs and streams of water from a police truck. At the Law School, a few minutes later, the presidential party encountered a more violent student protest. Tear gas, water, and police sabres were used to quell the turbulent crowd.

Diplomatic exchanges are usually innocuous. Student demonstrations are another matter. So long as teen-agers confine themselves to ball games and beer parties, the authorities need feel no concern. When they turn their energies to political demonstrations, open revolt may be in the offing.

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(*continued from inside front cover*)

This is not the occasion for a report, of course, but we do want MR readers to know that we are already convinced that what is happening here in Cuba is quite literally of world-historical significance. This is a genuine social revolution and a wonderful one, taking place under conditions that are in many ways remarkably favorable to success. To try to explain all this and to explore some of the implications will be the purpose of our special July-August issue. If you know people who are interested in the Cuban situation but are not readers of MR, will you please use the forthcoming Cuban special to get them to enter their subs well in advance of publication date?

Meanwhile, we register agreement with Christopher Columbus' exclamation that this is the "most beautiful land human eyes have ever seen," or at least it's about as beautiful as any we've ever seen. And the people are, if anything, even better. They are naturally cheerful and hospitable—every one agrees on that—but now they also have that indescribable combination of pride, enthusiasm, and élan which comes from a successful revolution—from having a great purpose in life and knowing that you can do something about it. Americans who were around Washington during the first years of the New Deal will have some idea of what we mean—though, alas, our "revolution" turned out to be largely an illusion.

If you want to see for yourself, come on down. And in the meantime, get busy laying the groundwork for a hands-off-Cuba campaign in the U.S. This is an historic juncture in which the democratic (with a small "d") forces in the U.S. may be able to play an honorable and important role.

News on MR Press books: *Crossing the Line* has been received from England and has already been mailed out to those whose orders are on file. *The Jazz Scene* is expected momentarily and will be ready for mailing as soon as it clears customs. *Crossing the Line,* it will be recalled, is the memoirs of Claud Cockburn—former publisher of *The Week*—which was so well received in Britain last year. *The Jazz Scene* by Francis Newton, we are told by experts whose judgment we trust, is the best book yet on its subject. Both books can still be bought at the special prepublication prices. For details, see the back cover.

The letter of the month comes from a subscriber at the University of Texas:

> "Sorry to be so late renewing. I was caught up in too much study for my qualifying exams in psychology; but now that I've passed, I'll have more time for other reading, and you people are always high on my list. There was a time not so long ago when I began to wonder why I should continue to bother myself about ideals that seemed to have so little chance of realization and which were surely beyond my ability to "do" anything about personally. Why not apply all my reading time and thought to my developing speciality, I asked. Well, I guess I don't want to be *that* specialized. The world's moving, and it's nice to know a little about the direction it's moving and to have an ideal yardstick against which to measure that movement. You people provide me with the perspective and with the applications of that yardstick to what's going on. I need you.

We need *you,* too. And don't get the idea, because it seems difficult to "do" anything in the U.S. today, that it will always be that way. History records such periods in the life of every country, and they always pass. They will in the future as they have in the past.

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